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**A RESOLUTION ADOPTING AN ADJUSTED FRANCHISE FEE FROM 3%  
TO 5% WITH WASTE MANAGEMENT ALONG WITH A CPI  
ADJUSTMENT OF 2.5%, EFFECTIVE SEPTEMBER 1, 2014**

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**RECITALS:**

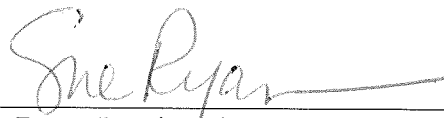
1. The city has entered into an exclusive franchise with Waste Management (WM) for the hauling of garbage as well as the collection of recyclable materials within the city. Section 8.2 of that agreement, allows the city to increase the franchise fee. The relevant portion of the Franchise Agreement is hereby attached as Exhibit A and by this reference incorporated.
2. Franchisee is required to provide a minimum of a 30-day notice to its customers of revisions to the service rate schedule. This fee increase would not take effect until September 1, 2014, which would give the customers more than the 30-day notice.
3. The city of Newberg has granted an exclusive garbage franchise since 1938. Since 1978 the franchise fee has been 3%.
4. Newberg finds that the cost to provide garbage service has increased and is appropriate to adjust rates equal to the Consumer Price Index. A 2.5% CPI adjustment is the appropriate amount. Increased rates are set forth on Exhibit B, which is hereby attached and by this reference incorporated.
5. Rates will be reviewed in even numbered years going forward.

**THE CITY OF NEWBERG RESOLVES AS FOLLOWS:**

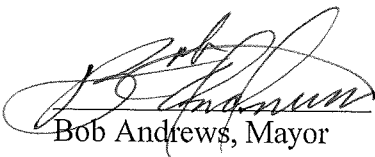
1. The current 3.0% Waste Management franchise fee is hereby increased to 5.0%, effective September 1, 2014.
2. The garbage rates proposed by Waste Management (WM) with a CPI adjustment of 2.5%, and reflecting the increased franchise fee, are set out in Exhibit B. This rate schedule is hereby adopted, with an effective date of September 1, 2014.

➤ **EFFECTIVE DATE** of this resolution is the day after the adoption date, which is: July 22, 2014.

**ADOPTED** by the City Council of the City of Newberg, Oregon, on the 21<sup>st</sup> day of July 2014.

  
Sue Ryan, Interim City Recorder

**ATTEST** by the Mayor this 9th day of October, 2014.

  
Bob Andrews, Mayor

Excerpt from Waste Management (WM) Collection Franchise Agreement

8. FRANCHISE FEES.

8.1. As consideration for the Franchise granted herein, Franchisee will pay to the City each calendar quarter the sum of three percent (3%) of Franchisee's Gross Service Revenues for the preceding calendar quarter (the "Franchise Fee"). Franchisee will submit payment to the City, along with supporting documentation confirming the Franchisee's Gross Service Revenues, on or before the end of the second month after the end of each calendar quarter. By way of example, the Franchise Fee for the first quarter of each year will be due on or before May 30<sup>th</sup> of that year. The Franchisee will pay interest at the rate of nine percent (9%) per year for any payment due pursuant to this Section made after the due date.

8.2. City may increase the amount of the Franchise Fee, provided however that the increase in the Franchise Fee will not become effective until the City has approved an adjustment in the rates for the Services in an amount sufficient for Franchisee to recover the increase in the Franchise Fee.

8.3. If a dispute arises as to the amount of Gross Service Revenues within the meaning of this Franchise, the amount of such Gross Service Revenues as determined by audit by a certified public accountant, mutually selected by the City and Franchisee, will be deemed the correct amount. The audit may cover one or more continuous quarterly reporting periods. If the audit demonstrates that the Gross Service Revenues were understated resulting in the Franchise Fee being underpaid by five percent or more in any one reporting quarter, the Franchisee will reimburse the City for the reasonable costs of the audit. Any underpayment, including interest or audit cost reimbursement, will be paid within 30 days of the City's notice to the Franchisee of such underpayment. If such notice requires reimbursement of audit costs, City will provide reasonable documentation establishing the actual costs of the audit. Any overpayment of the Franchise Fee will be credited against the subsequent quarterly Franchise Fee payment by the Franchisee to the City.



**WASTE MANAGEMENT**

P.O. Box 1000  
2904 Wynooski Rd.  
Newberg, OR 97132  
(503) 538-1388  
(503) 538-1383 Fax

June 17, 2014

Janelle Nordyke  
Finance Director  
City of Newberg  
PO Box 970  
Newberg, OR 97132

RE: Increase of Gross Service Revenues and Request for CPI Adjustment

Dear Janelle,

Per our conversation, the City of Newberg has requested a change in the franchise fee that is paid to the city from a 3% gross service revenue to a 5% gross service revenue. Per section 8.2 of the solid waste franchise agreement, Waste Management is requesting an adjustment in the rates that are sufficient enough to recover the increase in the franchise fee. Attached is the rate sheet which reflects the adjusted franchise fees.

Also, in our efforts to avoid increasing the rates three consecutive years, we are requesting a CPI adjustment this year to be effective at the same time gross service revenues are adjusted. By doing this, there should not be a need to come in next year for a CPI increase. Both increases would be effective September 1<sup>st</sup> in order to give our customers 30 day notice.

Should you have any questions or need additional information, please feel free to contact me at 503-462-0508.

Sincerely,

A handwritten signature in black ink, appearing to read 'Dave Huber', written in a cursive style.

Dave Huber, District Manager  
Waste Management of Oregon Inc. Newberg Hauling Operations

Cc: Mike Jefferies, Dean Kampfer, Kirk Duncan, Adam Winston

*From everyday collection to environmental protection, Think Green®. Think Waste Management.*

City of Newberg Garbage and Recycling Rates  
Current and Proposed as of 9/1/2014

CPI Adjustment	2.50%
Franchise Fee Adjustment	2.00%

Residential Service				
Monthly Rate				
Weekly Curbside Service	Current Rate	CPI Adjustment	Franchise Fee Increase	Proposed New Rate
20 gallon cart	\$18.48	\$0.45	\$0.37	\$19.30
35 gallon cart	\$19.92	\$0.48	\$0.40	\$20.81
35 gallon cart - Each additional	\$13.56	\$0.33	\$0.27	\$14.16
35 gallon cart (Non-Curb garbage only)	\$21.88	\$0.53	\$0.44	\$22.85
64 gallon cart	\$24.50	\$0.59	\$0.49	\$25.58
96 gallon cart	\$26.92	\$0.65	\$0.54	\$28.11
additional Recycling / Yard Debris cart	\$3.11	\$0.08	\$0.06	\$3.25
Recycling only - Every other week	\$7.41	\$0.18	\$0.15	\$7.74
Monthly Curbside Service				
35 gallon cart	\$14.58	\$0.35	\$0.29	\$15.23

Every Other Week recycling & yard debris service is included with garbage service.

Multiple Residential Units and Mobile Parks Service (Five or more units) Single Billing				
Monthly Rate				
Weekly Curbside Service	Current Rate	CPI Adjustment	Franchise Fee Increase	Proposed New Rate
20 gallon cart	\$16.63	\$0.40	\$0.33	\$17.36
35 gallon cart	\$18.14	\$0.44	\$0.36	\$18.95
35 gallon cart (Non-Curb garbage only)	\$19.92	\$0.48	\$0.40	\$20.81
96 gallon cart	\$26.92	\$0.65	\$0.54	\$28.11
Each additional 35 gallon cart	\$11.93	\$0.29	\$0.24	\$12.45
Recycling only	\$7.41	\$0.18	\$0.15	\$7.74
Monthly Curbside Service				
35 gallon cart	\$14.58	\$0.35	\$0.29	\$15.23

Every Other Week recycling & yard debris service is included with garbage service.

Additional Rates				
Service				
Extra On Service Day	Current Rate	CPI Adjustment	Franchise Fee Increase	Proposed New Rate
Regular Customer - additional 32 gal equivalent can curbside	\$2.97	\$0.07	\$0.06	\$3.11
Regular Customer - additional 32 gal equivalent can non-curbside	\$3.62	\$0.09	\$0.07	\$3.78
On Call Customer - 32 gallon equivalent	\$7.96	\$0.19	\$0.16	\$8.31
Regular Customer - Yard Debris - 32 gal equivalent	\$3.27	\$0.08	\$0.07	\$3.41
Extra - Non-Service Day				
Go Back Charge - Per Cart	\$7.06	\$0.17	\$0.14	\$7.37
Bulky Items - Hourly plus disposal				
Truck - Hourly rate (one person)	\$79.07	\$1.92	\$1.58	\$82.57
Truck - Hourly rate (two people)	\$98.84	\$2.40	\$1.98	\$103.21
Weekly Walk in Rate - per foot after first 50 feet	\$0.01	\$0.00	\$0.00	\$0.01
Recycling Contamination Charge	\$10.72	\$0.26	\$0.21	\$11.20
Cart Exchange Fee	\$11.91	\$0.29	\$0.24	\$12.44
Overweight Charge	\$2.64	\$0.06	\$0.05	\$2.76
Restart Fee - Service stopped for Non-payment	\$11.91	\$0.29	\$0.24	\$12.44
NSF - Non Sufficient Funds	\$20.94	\$0.51	\$0.42	\$21.87

City of Newberg Garbage and Recycling Rates  
Current and Proposed as of 9/1/2014

Commercial								
Monthly Rate - Regular Service								
	Current Rate		CPI Adjustment		Franchise Fee Increase		Proposed New Rate	
	One Stop/Week	Each Additional Stop/Week	One Stop/Week	Each Additional Stop/Week	One Stop/Week	Each Additional Stop/Week	One Stop/Week	Each Additional Stop/Week
<b>Regular Weekly Service</b>								
35 gallon cart	\$23.09	N/A	\$0.56	N/A	\$0.46	N/A	\$24.11	N/A
64 gallon cart	\$25.68	N/A	\$0.62	N/A	\$0.51	N/A	\$26.82	N/A
96 gallon cart	\$28.11	N/A	\$0.68	N/A	\$0.56	N/A	\$29.36	N/A
1 yard container	\$81.91	\$61.96	\$1.99	\$1.50	\$1.64	\$1.24	\$85.53	\$64.70
1.5 yard container	\$111.26	\$97.75	\$2.70	\$2.37	\$2.23	\$1.95	\$116.19	\$102.08
2 yard container	\$141.95	\$126.73	\$3.45	\$3.08	\$2.84	\$2.53	\$148.24	\$132.34
3 yard container	\$202.27	\$179.06	\$4.91	\$4.35	\$4.05	\$3.58	\$211.22	\$186.98
4 yard container	\$265.63	\$226.92	\$6.45	\$5.51	\$5.31	\$4.54	\$277.39	\$236.96
5 yard container	\$325.63	\$272.07	\$7.90	\$6.60	\$6.51	\$5.44	\$340.04	\$284.12
6 yard container	\$422.12	\$322.60	\$10.24	\$7.83	\$8.44	\$6.45	\$440.81	\$336.88
Yard Debris 96 gallon cart EOW	\$7.41		\$0.18		\$0.15		\$7.74	\$0.00

Temporary Service								
	Current Rate		CPI Adjustment		Franchise Fee Increase		Proposed New Rate	
	One Stop/Week	Each Additional Stop/Week	One Stop/Week	Each Additional Stop/Week	One Stop/Week	Each Additional Stop/Week	One Stop/Week	Each Additional Stop/Week
<b>Container Size</b>								
1.5 yard container	\$37.07	\$26.60	\$0.90	\$0.65	\$0.74	\$0.53	\$38.72	\$27.78
2 yard container	\$47.03	\$35.87	\$1.14	\$0.87	\$0.94	\$0.72	\$49.11	\$37.46
3 yard container	\$62.90	\$50.89	\$1.53	\$1.24	\$1.26	\$1.02	\$65.69	\$53.15
4 yard container	\$78.40	\$67.15	\$1.90	\$1.63	\$1.57	\$1.34	\$81.87	\$70.13

Monthly Rate Commingled Recycling Service								
For Additional Commercial Recycling, Drop Box Recycling, and Recycling Only Customers								
	Current Rate		CPI Adjustment		Franchise Fee Increase		Proposed New Rate	
	One Stop/Week	Each Additional Stop/Week	One Stop/Week	Each Additional Stop/Week	One Stop/Week	Each Additional Stop/Week	One Stop/Week	Each Additional Stop/Week
<b>Regular Weekly Service</b>								
96 gallon cart	\$10.21	\$8.69	\$0.25	\$0.21	\$0.20	\$0.17	\$10.66	\$9.07
1 yard container	\$33.14	\$28.16	\$0.80	\$0.68	\$0.66	\$0.56	\$34.60	\$29.41
1.5 yard container	\$43.29	\$36.80	\$1.05	\$0.89	\$0.87	\$0.74	\$45.21	\$38.43
2 yard container	\$54.23	\$46.12	\$1.32	\$1.12	\$1.08	\$0.92	\$56.64	\$48.16
3 yard container	\$75.49	\$64.18	\$1.83	\$1.56	\$1.51	\$1.28	\$78.83	\$67.02
4 yard container	\$98.42	\$83.66	\$2.39	\$2.03	\$1.97	\$1.67	\$102.77	\$87.36
5 yard container	\$119.46	\$101.56	\$2.90	\$2.46	\$2.39	\$2.03	\$124.75	\$106.05
6 yard container	\$160.61	\$136.53	\$3.90	\$3.31	\$3.21	\$2.73	\$167.72	\$142.57

Commingled recycling is included with regular service up to two times the garbage volume.

City of Newberg Garbage and Recycling Rates  
Current and Proposed as of 9/1/2014

Dropbox Disposal Rates								
Container Size	Current Rate		CPI Adjustment		Franchise Fee Increase		Proposed New Rate	
	Loose Rate	Compacted Rate	Loose Rate	Compacted Rate	Loose Rate	Compacted Rate	Loose Rate	Compacted Rate
10 yard	\$196.49	\$313.78	\$4.77	\$7.62	\$3.93	\$6.28	\$205.19	\$327.67
15 yard	\$284.61	\$419.30	\$6.91	\$10.18	\$5.69	\$8.39	\$297.21	\$437.86
20 yard	\$324.15	\$515.89	\$7.87	\$12.52	\$6.48	\$10.32	\$338.50	\$538.73
25 yard		\$647.42		\$15.71		\$12.95	\$0.00	\$676.08
30 yard	\$477.83	\$744.01	\$11.60	\$18.06	\$9.56	\$14.88	\$498.98	\$776.95
40 yard	\$623.05	\$963.69	\$15.12	\$23.39	\$12.46	\$19.27	\$650.63	\$1,006.35

Permanent Drop box Rental Rates					
Container Size	Current Rate	CPI Adjustment	Franchise Fee Increase	Proposed New Rate	
20 yard	\$53.31	\$1.29	\$1.07	\$55.67	
30 yard	\$66.95	\$1.62	\$1.34	\$69.91	
40 yard	\$71.35	\$1.73	\$1.43	\$74.51	
Screen Lid	\$12.80	\$0.31	\$0.26	\$13.37	
Metal Covered Lid	\$16.13	\$0.39	\$0.32	\$16.85	
Demurrage - daily fee	\$5.26	\$0.13	\$0.11	\$5.49	

Additional Rate Information	Current Rate	CPI Adjustment	Franchise Fee Increase	Proposed New Rate
Delivery Charge - First Box	\$19.77	\$0.48	\$0.40	\$20.64
One drop box truck (one person) hourly rate	\$85.66	\$2.08	\$1.71	\$89.45
One drop box truck & trailer (one person) hourly rate	\$105.42	\$2.56	\$2.11	\$110.09
Mileage - per mile over 10 miles round trip	\$2.18	\$0.05	\$0.04	\$2.27

Note;

Drop boxes must be loaded to the point where the loaded vehicle will not exceed truck weight laws, or to the point where the drop box can not be dumped by normal dumping methods. Additional fees may apply for cost of penalties that are incurred due to overweight drop boxes.

Drop boxes shall not be loaded above the top of the box.

Weekend service for drop boxes shall be at 1.5 times the regular rate and shall be arranged prior to the service

Other Special Rates					
Additional Rate Information					
Tires	Current Rate	CPI Adjustment		Franchise Fee Increase	Proposed New Rate
Car tire - on or off rim	\$3.03	\$0.07	plus processing fee	\$0.06	\$3.16
Truck tire - on or off rim	\$3.03	\$0.07	plus processing fee	\$0.06	\$3.16

Note;

Tenants are responsible for waste collection fees (unless separate payment arrangements are made by the landlord).

Definition of extra; bundles, bags, sacks, and other - based on volume, securely tied and limited to 60 lbs. (1.5 x 1.5 x 4 feet will be equivalent to a full garbage carts

Plastic Bags securely tied and limited to 30 lbs. will be equivalent to a full garbage can. Plastic bags to be used for occasional additional garbage, not as full-time garbage service container.

Medical - Commercial Customers Only								
Container Sales								
Container Size	Current Rate		CPI Adjustment		Franchise Fee Increase		Proposed New Rate	
	1 - 2 Containers	3 or More	1 - 2 Containers	3 or More	1 - 2 Containers	3 or More	1 - 2 Containers	3 or More
17 gallon tub	\$35.93	\$26.79	\$0.87	\$0.65	\$0.72	\$0.54	\$37.52	\$27.98
23 gallon box	\$38.61	\$28.93	\$0.94	\$0.70	\$0.77	\$0.58	\$40.32	\$30.21
31 gallon tub	\$39.89	\$29.89	\$0.97	\$0.73	\$0.80	\$0.60	\$41.66	\$31.22
43 gallon tub	\$44.98	\$34.85	\$1.09	\$0.85	\$0.90	\$0.70	\$46.97	\$36.40
30 gallon box	\$48.12	\$34.45	\$1.17	\$0.84	\$0.96	\$0.69	\$50.25	\$35.97